2011 Military Health System Conference

Incentivizing the Medical Home

The Quadruple Aim: Working Together, Achieving Success

CAPT Maureen Padden MD MPH FAAFP

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Navy Medicine

Outline

- Discuss the Navy PCMH Initiative
- Anticipated effects of well executed PCMH
- Civilian experience with PCMH
- MHS Performance Pilots
- Review of the Pensacola Plan

Navy PMCH Initiative

- Description
  - Small micro-practices of 3-5 providers
  - Standardized staffing model
  - Strategic reinvestment of current resources
  - Use of 4th level MEPRS to delineate teams
- Goal: Demand Management of enrollees
  - Reduce unnecessary visits
  - Leverage asynchronous messaging / team based practice

Anticipated Effects of PMCH in MHS

- Improved
  - Access to Care
  - Team continuity
  - PCM continuity
  - Patient satisfaction

- Reduced Costs of Care
  - Unnecessary:
    - ER use
    - Network care
    - Ancillary tests
    - Hospitalizations
    - Specialty visits

Potential Impact on Enrollment

Demand Management of Enrollees

Reduced Utilization of Visits

Unused Capacity

Increase Enrollment

↓ Utilization + ↓ Unit Cost

PMPM $$ $

Outcomes of Implementing Patient-Centered Medical Home Interventions: A Review of the Evidence From Prospective Evaluation Studies in the United States

Updated November 16, 2010

Kevin Grumbach, MD, Paul Grundy, MD, MPH

- Group Health, Geisenger, VA, Blue Cross Blue Shield, Medicaid (NC, CO) and others…
  - Decreased PMPM
  - Decreased ER utilization
  - Decreased admissions
  - Improved quality metrics
  - Improved customer satisfaction (patients/staff)

The MHS Performance Pilot

- Could replace aspects of PPS if successful
- Components:
  - PCMH Primary Care: Capitation
  - Non PCMH Primary Care: Fee for service
  - Specialty Care: Fee for service
  - Inpatient: Fee for service
  - APV: Fee for service
  - P4P
  - Includes care management fee

Pensacola PMCH Pilot

- 33,795 enrollees in medical homes
- Historical RVU production valued at $9,105,298 in non capitated environment

But what if we de-incentivized burn and churn and incentivized production of health?

Performance Pilot

- Capitated Funding:
  - $267.39 per enrollee
  - 33,795 enrollees

  $ 8,088,030.00

- Care Management Fee **(level 2 NCQA)**
  - $5.00 per enrollee
  - 33,795 enrollees

  $ 2,027,700.00

- Pay For Performance
  - Mammography
  - Cancer screenings
  - Diabetes HEDIS
  - Oryx measures
  - PCM continuity
  - 3rd next available
  - Satisfaction ratings
  - PMPM Inflation
  - ER utilization

Pay For Performance

		Capitation	$ 8,088,030.00
		Care Mgmt Fee	$ 2,027,700.00
		Subtotal	**$10,115,730.00**
Metric	**Baseline***	**Goal**	**Reward**
Mammography	80%	↑ 82%	$122,122.00
Colorectal	71.6%	↑ 75%	$27,971.12
Cervical	83%	↑ 89%	$409,718.20
A1C screen	89%	↑ 95%	$92,937.40
LDL < 100	44.4%	↑ 54.4%	$69,395.00
A1C > 9.0	21%	↑ 18%	$78,206.20
		↓ Additional P4P	**$800,349.92**

Pay For Performance Cont.

Metric	Baseline	Goal	Reward
PCM Continuity	38.8%	60%	$328,652.16
3rd next routine	79.2%	86.4%	$94,842.94
3rd next acute	55.6%	64.8%	$383.984.70
Satisfaction – care	92.3%	92.3%	--
		Additional P4P	**$807,479.80**

*NOTE: rewards are based on increases or decreases from baseline

Pilot Basics

Capitation	$ 8,088,030.00
Care Mgmt Fee	$ 2,027,700.00
P4P HEDIS	$800,349.92
P4P Experience	$807,479.80
Subtotal	**11,723,559.72**

- Doesn't include
  - Oryx measures
  - ER Utilization
    - Earn or lose based on increase/decrease
  - PMPM Costs
    - Earn or lose based on increase/decrease of inflationary costs

Risks

PPS Environment: $9,105,298.00

Capitation	$ 8,088,030.00
Care Mgmt Fee	$ 2,027,700.00
P4P HEDIS	$800,349.92
P4P Experience	$807,479.80
Subtotal	**11,723,559.72**

What if ER use increases?

? NCQA recognition

What if don't improve?

What if PMPM rises?

Impact on MHS Bottom Line

Demand Management of Enrollees

Reduced Utilization of Visits

Unused Capacity

Increase Enrollment

↓ Utilization + ↓ Unit Cost

PMPM $$$

Bottom Line

- Business as usual = high risk!
- Transformation of practice could result in significant reward

"If you don't like change, you're going to like irrelevance even less."

General Eric Shinseki (ret)
Former Chief of Staff, U.S. Army

"Every system is perfectly designed to get the results it produces"

Questions?